MEMORANDUM OF CONVERSATION WITH ARNIE DONAHUE, 20 FEBRUARY 1980

I sought clarification on three points in the allowance letter of February 12: 1) I asked Arnie which candidates for transfer he had reference to. He responded that it was the third list in Randy Jayne's memo of the STAT meeting with and Dan Murphy on the subject of transfers. He added that we could, of course, add to the list if we wished. I asked him how firm the 15 March date was. He agreed that it was ambitious and would be surprised if it held. He did emphasize, however, that he wanted the question of transfers to be resolved in the spring STAT rather than at the last minute as part of the budget process. 2) I asked him about the separate letter on overseas personnel. He responded that this was something he felt he owed and as a result of their inputs to him. He felt that of the STAT six items identified for followup study, only NSA MODE spaces and possibly communications would be covered. 3) Arnie felt that the problems in translating the President's decisions into the agencies' budget submissions arose in three major areas: STAT Arnie agreed that this last item was one over which the DCI had little or no control, and that OMB had allowed it to remain ambiguous as the budget went to bed. At any rate, Donahue feels that we need to work with the affected agencies to ensure that what is finally approved is more accurately reflected in their submissions. In this regard he attempted to provide the DCI with some leverage. STAT Distribution: STAT ] -1

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